

110TH CONGRESS  
1ST SESSION

# H. R. 1650

To amend the Federal antitrust laws to provide expanded coverage and to eliminate exemptions from such laws that are contrary to the public interest with respect to railroads.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 22, 2007

Ms. BALDWIN (for herself, Mr. ALEXANDER, Mr. POMEROY, Mr. WALZ of Minnesota, and Mr. BAKER) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on Transportation and Infrastructure and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Federal antitrust laws to provide expanded coverage and to eliminate exemptions from such laws that are contrary to the public interest with respect to railroads.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Railroad Antitrust En-  
5       forcement Act of 2007”.

1 **SEC. 2. INJUNCTIONS AGAINST RAILROAD COMMON CAR-**  
2 **RIERS.**

3 The proviso in section 16 of the Clayton Act (15  
4 U.S.C. 26) ending with “Code.” is amended to read as  
5 follows: “*Provided*, That nothing herein contained shall be  
6 construed to entitle any person, firm, corporation, or asso-  
7 ciation, except the United States, to bring suit for injunc-  
8 tive relief against any common carrier that is not a rail-  
9 road subject to the jurisdiction of the Surface Transpor-  
10 tation Board under subtitle IV of title 49, United States  
11 Code.”.

12 **SEC. 3. MERGERS AND ACQUISITIONS OF RAILROADS.**

13 The sixth undesignated paragraph of section 7 of the  
14 Clayton Act (15 U.S.C. 18) is amended to read as follows:

15 “Nothing contained in this section shall apply to  
16 transactions duly consummated pursuant to authority  
17 given by the Secretary of Transportation, Federal Power  
18 Commission, Surface Transportation Board (except for  
19 agreements described in section 10706 of title 49, United  
20 States Code, and transactions described in section 11321  
21 of that title), the Securities and Exchange Commission in  
22 the exercise of its jurisdiction under section 10 (of the  
23 Public Utility Holding Company Act of 1935), the United  
24 States Maritime Commission, or the Secretary of Agri-  
25 culture under any statutory provision vesting such power  
26 in the Commission, Board, or Secretary.”.

1 **SEC. 4. LIMITATION OF PRIMARY JURISDICTION.**

2 The Clayton Act is amended by adding at the end  
3 thereof the following:

4 “SEC. 29. In any civil action against a common car-  
5 rier railroad under section 4, 4C, 15, or 16 of this Act,  
6 the district court shall not be required to defer to the pri-  
7 mary jurisdiction of the Surface Transportation Board.”.

8 **SEC. 5. FEDERAL TRADE COMMISSION ENFORCEMENT.**

9 (a) CLAYTON ACT.—Section 11(a) of the Clayton Act  
10 (15 U.S.C. 21(a)) is amended by striking “subject to juris-  
11 diction” and all that follows through the first semicolon  
12 and inserting “subject to jurisdiction under subtitle IV of  
13 title 49, United States Code (except for agreements de-  
14 scribed in section 10706 of that title and transactions de-  
15 scribed in section 11321 of that title);”.

16 (b) FTC ACT.—Section 5(a)(2) of the Federal Trade  
17 Commission Act (15 U.S.C. 45(a)(2)) is amended by strik-  
18 ing “common carriers subject” and inserting “common  
19 carriers, except for railroads, subject”.

20 **SEC. 6. EXPANSION OF TREBLE DAMAGES TO RAIL COM-**  
21 **MON CARRIERS.**

22 Section 4 of the Clayton Act (15 U.S.C. 15) is  
23 amended by—

24 (1) redesignating subsections (b) and (c) as  
25 subsections (c) and (d), respectively; and

26 (2) inserting after subsection (a) the following:

1       “(b) Subsection (a) shall apply to common carriers  
 2 by rail subject to the jurisdiction of the Surface Transpor-  
 3 tation Board under subtitle IV of title 49, United States  
 4 Code, without regard to whether such railroads have filed  
 5 rates or whether a complaint challenging a rate has been  
 6 filed.”.

7 **SEC. 7. TERMINATION OF EXEMPTIONS IN TITLE 49.**

8       (a) IN GENERAL.—Section 10706 of title 49, United  
 9 States Code, is amended—

10           (1) in subsection (a)—

11                   (A) in paragraph (2)(A), by striking “, and  
 12 the Sherman Act (15 U.S.C. 1 et seq.),” and all  
 13 that follows through “or carrying out the agree-  
 14 ment” in the third sentence;

15                   (B) in paragraph (4)—

16                           (i) by striking the second sentence;

17                           and

18                           (ii) by striking “However, the” in the  
 19 third sentence and inserting “The”; and

20                   (C) in paragraph (5)(A), by striking “, and  
 21 the antitrust laws set forth in paragraph (2) of  
 22 this subsection do not apply to parties and  
 23 other persons with respect to making or car-  
 24 rying out the agreement”; and

1           (2) by striking subsection (e) and inserting the  
2 following:

3           “(e) APPLICATION OF ANTITRUST LAWS.—

4           “(1) IN GENERAL.—Nothing in this section ex-  
5 empts a proposed agreement described in subsection  
6 (a) from the application of the Sherman Act (15  
7 U.S.C. 1 et seq.), the Clayton Act (15 U.S.C. 12, 14  
8 et seq.), the Federal Trade Commission Act (15  
9 U.S.C. 41 et seq.), section 73 or 74 of the Wilson  
10 Tariff Act (15 U.S.C. 8 and 9), or the Act of June  
11 19, 1936 (15 U.S.C. 13, 13a, 13b, 21a).

12           “(2) ANTITRUST ANALYSIS TO CONSIDER IM-  
13 PACT.—In reviewing any such proposed agreement  
14 for the purpose of any provision of law described in  
15 paragraph (1), the Board and any other reviewing  
16 agency shall take into account, among any other  
17 considerations, the impact of the proposed agree-  
18 ment on shippers, on consumers, and on affected  
19 communities.”.

20           (b) COMBINATIONS.—Section 11321 of title 49,  
21 United States Code, is amended—

22           (1) in subsection (a)—

23           (A) by striking “The authority” in the  
24 first sentence and inserting “Except as pro-  
25 vided in sections 4 (15 U.S.C. 15), 4C (15

1 U.S.C. 15c), section 15 (15 U.S.C. 25), and  
 2 section 16 (15 U.S.C. 26) of the Clayton Act  
 3 (15 U.S.C. 21(a)), the authority”; and

4 (B) by striking “is exempt from the anti-  
 5 trust laws and from all other law,” in the third  
 6 sentence and inserting “is exempt from all  
 7 other law (except the antitrust laws referred to  
 8 in subsection (c)),”; and

9 (2) by adding at the end the following:

10 “(c) APPLICATION OF ANTITRUST LAWS.—

11 “(1) IN GENERAL.—Nothing in this section ex-  
 12 empts a transaction described in subsection (a) from  
 13 the application of the Sherman Act (15 U.S.C. 1 et  
 14 seq.), the Clayton Act (15 U.S.C. 12, 14 et seq.),  
 15 the Federal Trade Commission Act (15 U.S.C. 41 et  
 16 seq.), section 73 or 74 of the Wilson Tariff Act (15  
 17 U.S.C. 8–9), or the Act of June 19, 1936 (15  
 18 U.S.C. 13, 13a, 13b, 21a).

19 “(2) ANTITRUST ANALYSIS TO CONSIDER IM-  
 20 PACT.—In reviewing any such transaction for the  
 21 purpose of any provision of law described in para-  
 22 graph (1), the Board and any other reviewing agen-  
 23 cy shall take into account, among any other consid-  
 24 erations, the impact of the transaction on shippers  
 25 and on affected communities.”.

1 (c) CONFORMING AMENDMENTS.—

2 (1) The heading for section 10706 of title 49,  
3 United States Code, is amended to read as follows:

4 **“Rate agreements”**.

5 (2) The item relating to such section in the  
6 chapter analysis at the beginning of chapter 107 of  
7 such title is amended to read as follows:

“10706. Rate agreements.”.

8 **SEC. 8. EFFECTIVE DATE.**

9 (a) IN GENERAL.—Subject to the provisions of sub-  
10 section (b), this Act shall take effect on the date of enact-  
11 ment of this Act.

12 (b) CONDITIONS.—

13 (1) PREVIOUS CONDUCT.—A civil action under  
14 section 4, 15, or 16 of the Clayton Act (15 U.S.C.  
15 15, 25, 26) or complaint under section 5 of the Fed-  
16 eral Trade Commission Act (15 U.S.C. 45) may not  
17 be filed with respect to any conduct or activity that  
18 occurred prior to the date of enactment of this Act  
19 that was previously exempted from the antitrust  
20 laws as defined in section 1 of the Clayton Act (15  
21 U.S.C. 12) by orders of the Interstate Commerce  
22 Commission or the Surface Transportation Board  
23 issued pursuant to law.

24 (2) GRACE PERIOD.—A civil action or complaint  
25 described in paragraph (1) may not be filed earlier

1       than 180 days after the date of enactment of this  
2       Act with respect to any previously exempted conduct  
3       or activity or previously exempted agreement that is  
4       continued subsequent to the date of enactment of  
5       this Act.

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